NERA TELECOMMUNICATIONS LTD
(Co. Reg. No. 197802690R)

UNAUDITED SECOND QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 JUNE 2015

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement and statement of comprehensive income or a statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding financial year.

		Group 2nd Quarter			Group Period ended 30 June		
	Note	2015 S$'000	2014 S$'000	Increase/ (Decrease) %	2015 S$'000	2014 S$'000	Increase/ (Decrease) %
Turnover		**48,415**	**43,790**	**10.6**	**90,520**	**84,446**	**7.2**
Cost of sales		(32,537)	(29,650)	9.7	(60,538)	(54,769)	10.5
Gross profit		**15,878**	**14,140**	**12.3**	**29,982**	**29,677**	**1.0**
Other operating income		164	289	(43.3)	455	659	(31.0)
Distribution and selling expenses		(7,376)	(6,937)	6.3	(14,180)	(13,922)	1.9
Administrative expenses		(3,504)	(2,825)	24.0	(6,489)	(5,679)	14.3
Other operating expenses		(222)	(3)	N.M.	(483)	(75)	544.0
Profit from operations		**4,940**	**4,664**	**5.9**	**9,285**	**10,660**	**(12.9)**
Financial expenses		(145)	(56)	158.9	(236)	(135)	74.8
Financial income		12	32	(62.5)	28	73	(61.6)
Profit before taxation		**4,807**	**4,640**	**3.6**	**9,077**	**10,598**	**(14.4)**
Taxation		(851)	(1,179)	(27.8)	(2,075)	(2,538)	(18.2)
Profit after taxation		**3,956**	**3,461**	**14.3**	**7,002**	**8,060**	**(13.1)**
Other comprehensive income / (expense) :							
Items that may be reclassified subsequently to profit or loss :							
Foreign currency translation of financial statements of foreign operations		**(694)**	**12**	N.M.	**(980)**	**395**	N.M.
Total comprehensive income for the period		**3,262**	**3,473**	**(6.1)**	**6,022**	**8,455**	**(28.8)**

N.M. Not meaningful

		Group 2nd Quarter				Group Period ended 30 June		
		2015	2014	Increase / (Decrease)		2015	2014	Increase / (Decrease)
		S$'000	S$'000	%		S$'000	S$'000	%
Profit for the period is arrived at after crediting / (charging) the following :								
Adjustments for over / (under) provision of tax in respect of prior years		15	(200)	N.M.		15	(200)	N.M.
Amortisation of intangible assets	(1)	(16)	(32)	(50.0)		(32)	(64)	(50.0)
Bad debts recovered		31	84	(63.1)		35	84	(58.3)
Depreciation of property, plant and equipment	(2)	(1,535)	(1,250)	22.8		(3,108)	(2,471)	25.8
Foreign exchange (loss) / gain		(206)	160	N.M.		(449)	201	N.M.
Interest expense	(3)	(73)	-	100.0		(105)	-	100.0
Interest income	(4)	12	32	(62.5)		28	73	(61.6)
Net gain / (loss) on disposal / write-off of property, plant and equipment		30	(13)	N.M.		55	(5)	N.M.
Net writeback of allowance for doubtful debts		111	71	56.3		67	271	(75.3)
Net writeback / (allowance) for stock obsolescence		58	(155)	N.M.		(46)	(232)	(80.2)
Net writeback / (provision) for warranty		200	(102)	N.M.		401	236	69.9
Other information								
Gross profit as a percentage of turnover		32.8%	32.3%	0.5		33.1%	35.1%	(2.0)
Profit for the period as a percentage of turnover		8.2%	7.9%	0.3		7.7%	9.5%	(1.8)
Profit for the period attributable to equity shareholders of the Company as a percentage of issued capital and reserves at end of period		6.6%	5.8%	0.8		11.7%	13.4%	(1.7)

N.M. Not meaningful

Notes :

(1) The decrease in amortisation expense resulted from one of the intangible asset being fully amortised in FY 2014.

(2) The increase in depreciation expense resulted from additional point-of-sale terminals purchased for leasing.

(3) Interest expenses were incurred due to bank borrowings taken up.

(4) The decrease in interest income was mainly due to lower placement of fixed deposits.

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

Balance Sheet as at	Group 30/6/2015 S$'000	Group 31/12/2014 S$'000	Company 30/6/2015 S$'000	Company 31/12/2014 S$'000
Equity				
Share capital	29,909	29,909	29,909	29,909
Revenue reserve	34,780	35,016	10,907	13,040
Translation reserve	(4,957)	(3,977)	-	-
	59,732	60,948	40,816	42,949
Non current assets				
Property, plant and equipment	15,228	16,449	6,369	5,673
Intangible assets	999	1,031	999	1,031
Investment in subsidiaries	-	-	4,822	4,822
Deferred tax assets	1,084	1,172	-	-
	17,311	18,652	12,190	11,526
Current assets				
Stocks	3,383	3,865	1,774	2,134
Contract work-in-progress	19,232	25,587	8,989	12,513
Trade receivables	74,199	69,882	21,246	19,963
Other receivables, deposits and prepayments	4,178	3,530	478	415
Due from subsidiaries (trade)	-	-	24,549	21,888
Due from subsidiaries (non-trade)	-	-	778	3,378
Fixed deposits	691	4,111	500	4,000
Cash and bank balances	17,623	20,773	9,821	9,879
Total current assets	119,306	127,748	68,135	74,170
Current liabilities				
Trade payables	39,500	53,008	15,484	23,043
Other payables and accruals	19,025	19,958	9,169	10,554
Due to subsidiaries (non-trade)	-	-	313	329
Provision for taxation	2,427	1,832	1,736	1,478
Provision for warranty	3,752	4,587	1,598	2,219
Total current liabilities	64,704	79,385	28,300	37,623
Net current assets	54,602	48,363	39,835	36,547
Non current liability				
Deferred tax liabilities	562	422	562	422
Borrowings	10,647	4,702	10,647	4,702
Defined benefit obligation	972	943	-	-
	12,181	6,067	11,209	5,124
Net Assets	59,732	60,948	40,816	42,949

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 30/6/2015		As at 31/12/2014	
Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000
-	-	-	-

Amount repayable after one year

As at 30/6/2015		As at 31/12/2014	
Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000
10,647	-	4,702	-

Details of any collateral

The borrowings are from a $25 million loan facility from a bank, where the leasehold land and building at 109 Defu Lane 10 Singapore 539225 has been pledged as security.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group 2nd Quarter		Group Period ended 30 June	
	2015 S$'000	2014 S$'000	2015 S$'000	2014 S$'000
Cash flows from operating activities				
Profit before taxation	4,807	4,640	9,077	10,598
Adjustments for :				
Amortisation of intangible assets	16	32	32	64
Depreciation of property, plant and equipment	1,535	1,250	3,108	2,471
Interest expense	73	-	105	-
Interest income	(12)	(32)	(28)	(73)
Net (gain) / loss on disposal / write-off of property, plant and equipment	(30)	13	(55)	5
Net (writeback) / allowance for stock obsolescence	(58)	155	46	232
Net writeback of allowance for doubtful debts	(111)	(71)	(67)	(271)
Net (writeback) / provision for warranty	(200)	102	(401)	(236)
Pension cost	42	6	69	29
Operating profit before working capital changes	6,062	6,095	11,886	12,819
Decrease / (increase) in :				
Stocks	(306)	(1,254)	458	(518)
Contract work-in-progress	3,080	34	6,355	3,321
Trade receivables	(6,384)	(3,701)	(4,236)	(5,343)
Finance lease receivable	-	38	-	111
Other receivables, deposits and prepayments	547	169	(648)	(64)
(Decrease) / increase in :				
Trade payables	(4,714)	3,620	(13,508)	41
Other payables and accruals	(481)	531	(953)	(1,362)
Provision for warranty	(246)	(151)	(385)	(235)
Cash flows (used in) / from operations	(2,442)	5,381	(1,031)	8,770
Interest paid	(44)	-	(85)	-
Income taxes paid	(1,036)	(1,881)	(1,317)	(2,197)
Net cash flows (used in) / from operating activities	(3,522)	3,500	(2,433)	6,573
Cash flows from investing activities				
Proceeds from disposal of fixed assets	47	11	80	24
Purchase of fixed assets	(536)	(1,678)	(2,433)	(2,471)
Interest received	12	32	28	73
Withdrawal / (increase) of deposit pledged	1	-	(1)	-
Net cash flows used in investing activities	(476)	(1,635)	(2,326)	(2,374)
Cash flows from financing activities				
Dividend paid to shareholders	(7,238)	(14,476)	(7,238)	(14,476)
Proceeds from bank loans	5,213	-	5,945	-
Net cash flows used in financing activities	(2,025)	(14,476)	(1,293)	(14,476)
Net decrease in cash and cash equivalents	(6,023)	(12,611)	(6,052)	(10,277)
Effect of exchange rate changes	(607)	(50)	(519)	91
Cash and cash equivalents at beginning of the period	24,914	41,716	24,855	39,241
Cash and cash equivalents at end of the period	18,284	29,055	18,284	29,055
Cash and cash equivalents comprise:				
Fixed deposits	691	5,224	691	5,224
Cash and bank balances	17,623	23,860	17,623	23,860
Deposit pledged	(30)	(29)	(30)	(29)
	18,284	29,055	18,284	29,055

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

For 2nd Quarter ended 30 June	Share Capital S$'000	Revenue Reserve S$'000	Translation Reserve S$'000	Total S$'000
Group				
Balance as at 1.4.2015	29,909	38,062	(4,263)	**63,708**
Total comprehensive income for the period	-	3,956	(694)	3,262
Dividend paid	-	(7,238)	-	(7,238)
Balance as at 30.6.2015	29,909	34,780	(4,957)	**59,732**
Balance as at 1.4.2014	29,909	45,102	(3,856)	**71,155**
Total comprehensive income for the period	-	3,461	12	3,473
Dividend paid	-	(14,476)	-	(14,476)
Balance as at 30.6.2014	29,909	34,087	(3,844)	**60,152**
Company				
Balance as at 1.4.2015	29,909	15,791	-	**45,700**
Total comprehensive income for the period	-	2,354	-	2,354
Dividend paid	-	(7,238)	-	(7,238)
Balance as at 30.6.2015	29,909	10,907	-	**40,816**
Balance as at 1.4.2014	29,909	27,682	-	**57,591**
Total comprehensive income for the period	-	1,757	-	1,757
Dividend paid	-	(14,476)	-	(14,476)
Balance as at 30.6.2014	29,909	14,963	-	**44,872**

For Period ended 30 June	Share Capital S$'000	Revenue Reserve S$'000	Translation Reserve S$'000	Total S$'000
Group				
Balance as at 1.1.2015	29,909	35,016	(3,977)	**60,948**
Total comprehensive income for the period	-	7,002	(980)	6,022
Dividend paid	-	(7,238)	-	(7,238)
Balance as at 30.6.2015	29,909	34,780	(4,957)	**59,732**
Balance as at 1.1.2014	29,909	40,503	(4,239)	**66,173**
Total comprehensive income for the period	-	8,060	395	8,455
Dividend paid	-	(14,476)	-	(14,476)
Balance as at 30.6.2014	29,909	34,087	(3,844)	**60,152**
Company				
Balance as at 1.1.2015	29,909	13,040	-	**42,949**
Total comprehensive income for the period	-	5,105	-	5,105
Dividend paid	-	(7,238)	-	(7,238)
Balance as at 30.6.2015	29,909	10,907	-	**40,816**
Balance as at 1.1.2014	29,909	21,947	-	**51,856**
Total comprehensive income for the period	-	7,492	-	7,492
Dividend paid	-	(14,476)	-	(14,476)
Balance as at 30.6.2014	29,909	14,963	-	**44,872**

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

There has been no change in the Company's share capital since 31 March 2015. As at 30 June 2015, there was no share options granted (30 June 2014 : nil). There was also no treasury share in issue as at the end of the current financial period (30 June 2014 : nil).

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding financial year.

The total number of issued shares excluding treasury shares as at the end of the current financial period was 361,897,000 shares (31 December 2014 : 361,897,000).

(1)(d)(iv) A statement showing all sales, transfers, disposal, cancellation and / or use of treasury shares as at the end of the current financial period reported on.

Not applicable

1(e) Negative assurance confirmation on interim financial results under Rule 705(4) of the SGX-ST.

To the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the second quarter financial statements for the period ended 30 June 2015, to be false or misleading in any material respect.

On behalf of the Board

Wong Su-Yen
Chairman

Ang Seong Kang, Samuel
President and Chief Executive Officer

2. Whether the figures have been audited, or reviewed and in accordance with which standard or practice [e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard].

The figures have not been audited or reviewed by the auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as in the latest audited annual financial statements for the financial year ended 31 December 2014 except as described in Section 5 below.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has adopted the new and revised Singapore Financial Reporting Standards ("FRSs") that are mandatory for the financial year beginning on or after 1 January 2015, where applicable. The adoption of these standards did not result in substantial changes to the Group's accounting policies, and there is no material impact to the Group as at 1 January 2015.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group 2nd Quarter		Group Period ended 30 June	
	2015	2014	2015	2014
Earnings per Ordinary Share for the period based on net profit attributable to shareholders:	(cents)	(cents)	(cents)	(cents)
(i) basic earnings per share	1.09	0.96	1.93	2.23
(ii) fully diluted earnings per share	1.09	0.96	1.93	2.23

Basic earnings per ordinary share for the financial period ended 30 June 2015 was calculated based on the weighted average number of shares in issue of 361,897,000 (2014 : 361,897,000) ordinary shares. Fully diluted earnings per ordinary share for the financial period ended 30 June 2015 was calculated based on the weighted average number of shares in issue of 361,897,000 ordinary shares (2014 : based on weighted average number of shares in issue of 361,897,000 ordinary shares).

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year.

	Group		Company	
	30/6/2015 (cents)	31/12/2014 (cents)	30/6/2015 (cents)	31/12/2014 (cents)
Net Asset Value per ordinary share based on issued share capital	16.51	16.84	11.28	11.87

Net asset value per ordinary share as at 30 June 2015 and 31 December 2014 was calculated based on the number of ordinary shares in issue of 361,897,000.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

(a) <u>Turnover</u>

On a year-on-year ('YOY') comparison, turnover in Q2 2015 increased 10.6% ($4.6 million) from $43.8 million to $48.4 million. The improvement resulted from higher turnover from both Telecom and Infocomm business segments.

Compared to 1H 2014, turnover for 1H 2015 increased 7.2% ($6.1 million) from $84.4 million to $90.5 million. The increase in turnover resulted from higher turnover from the Infocomm business segment, partially offset by lower turnover in the Telecom business segment.

Telecommunications (Telecom)

On a YOY comparison, turnover in Q2 2015 increased 7.0% ($1.2 million) from $16.4 million to $17.6 million. The increase was mainly due to higher sales in the Middle East and Africa market.

Compared to 1H 2014, turnover for 1H 2015 declined 15.2% ($4.6 million) from $30.3 million to $25.7 million. The decrease in turnover resulted from lower sales in both the Asia Pacific and the Middle East and Africa markets in Q1 2015.

Infocomm

On a YOY comparison, turnover in Q2 2015 increased by 12.7% ($3.4 million) from $27.4 million to $30.8 million. Compared to 1H 2015, turnover for 1H 2015 increased 19.7% ($10.7 million) from $54.2 million to $64.9 million.

<u>Network Infrastructure</u>
Turnover for Network Infrastructure business area increased slightly by 2.8% ($0.5 million) YOY from $17.8 million to $18.3 million for the quarter, with higher sales of network equipment to the Service Provider market. For 1H 2015, turnover increased 10.1% ($3.8 million) YOY from $37.8 million to $41.6 million, with higher sales of network equipment to all three markets (Service Provider, Enterprise, and Government / Transport / Utilities).

<u>Payment Solutions</u>
Turnover for Payment Solutions business area increased 31.1% ($2.9 million) YOY from $9.6 million to $12.5 million for the quarter and 41.9% ($6.9 million) YOY from $16.3 million to $23.2 million for 1H 2015. This was due to higher revenue from the sale and leasing of point-of-sale terminals.

(b) <u>Gross Profit</u>

On a YOY comparison, gross profit for Q2 2015 increased 12.3% from $14.1 million to $15.9 million. The gross profit margin % ("GP%") improved from 32.3% to 32.8%.

Compared to 1H 2014, gross profit for 1H 2015 increased slightly by 1.0% from $29.7 million to $30.0 million. However, GP% declined from 35.1% to 33.1%.

The changes in gross profit and GP% can be attributed to sales mix in product, project and services.

(c) Other operating income

The lower other operating income for Q2 2015 and 1H 2015 was mainly due to absence of exchange gain for the respective periods.

(d) Operating Expenses

On a YOY comparison, total operating expenses for Q2 2015 increased 13.7% from $9.8 million to $11.1 million. Compared to 1H 2014, total operating expenses for 1H 2015 increased 7.5% from $19.7 million to $21.1 million.

Distribution and selling expenses increased 6.3% ($0.4 million) YOY for the quarter mainly due to higher payroll related costs. For 1H 2015, the increase of 1.9% ($0.3 million) was mainly due lower writeback of doubtful debts provision and bad debts recovered as compared to 1H 2014.

Administrative expenses increased by 24.0% ($0.7 million) YOY for the quarter and 14.3% ($0.8 million) YOY for 1H 2015 was mainly due to higher payroll and related costs, rental costs (from new office in Myanmar and expansion of office space in certain countries) and higher depreciation expenses.

The increase in other operating expenses for Q2 2015 and 1H 2015 was mainly due to exchange loss.

(e) Profit Before Taxation ('PBT')

Compared to Q2 2014, PBT for Q2 2015 registered an increase of 3.6% YOY mainly due to higher gross profit, partially offset by lower other operating income, higher operating expenses and exchange loss. PBT as a percentage of turnover ("PBT %") for Q2 2015 was lower at 9.9% compared to 10.6% in Q2 2014.

Compared to 1H 2014, PBT for 1H 2015 registered a decline of 14.4% YOY mainly due to higher operating expenses and exchange loss. PBT % for 1H 2015 was lower at 10.0% compared to 12.6% in 1H 2014.

(f) Cash flow

For Q2 2015 and 1H 2015, the decrease in cash and cash equivalents of $6 million was mainly due to :

- negative cashflow from operating activities of $3.5 million and $2.4 million respectively, as a result of higher working capital requirements from higher level of business activities.
- payment of FY 2014 dividend of $7.2 million in May 2015
- outlay on capital expenditure of $0.5 million and $2.4 million for Q2 2015 and 1H 2015 respectively.

The above was partially offset by loans taken up in Q2 2015 and 1H 2015 of $5.2 million and $5.9 million respectively.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

N.A.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Group's business comprises two main business segments, namely Telecommunications and Infocommunications. In 1H 2015, the Group secured approximately $125.6 million in order in-take, a significant increase of 20.6% compared to 1H 2014 of $104.1 million.

Telecommunications (Telecom)

In 1H 2015, the Group's Telecom business segment secured approximately $44.1 million in order in-take, a significant increase of 19.6% compared to $36.8 million in 1H 2014 as a result of higher point-to-point radio order intake from customers in the Middle East and Africa market in Q1 2015.

The Group believes that growth in data and video traffic, the increase in mobile devices and demand for broadband services as well as regulatory compliances will drive mobile operators to continue to invest in expanding their wireless infrastructure networks coverage, capacity and capabilities.

The Group will continue to provide end-to-end wireless infrastructure network, comprising point-to-point radios, point-to-multi-point radios, mobile coverage solutions, DAS ("Distributed Antenna System") in-building coverage solutions, wifi 3G data offload as well as network performances and management solutions to enable our customers to deploy new services with a cost-effective wireless infrastructure.

Competition is expected to remain intense as mobile operators continue to demand for lower capex and opex costs, and introduce new revenue streams.

Infocommunications (Infocomm)

The Infocomm business segment comprises two business areas, namely Network Infrastructure and Payment Solutions. The Group's Infocomm business segment managed to secure approximately $81.5 million in order in-take in 1H 2015 as compared to $67.3 million in 1H 2014. The significant increase of about 21.1% was due to significantly high order in-take from both the Network Infrastructure and Payment Solutions business areas.

<u>Network Infrastructure</u>

In 1H 2015, the Group's Network Infrastructure business area secured approximately $47.2 million in order in-take, an increase of 12.3% compared to $42.0 million in 1H 2014 due to significantly higher order in-take in Q2 2015.

The Group believes that Telcos and ISP ("Internet Services Provides") will continue to invest in their network infrastructure capacity and capabilities to support the growth in the number of internet devices, data and video traffic and web services as well as addressing the demand for mobility, security and regulatory compliances. Enterprise IT will continue to invest and refresh their IT infrastructure to increase productivity, improve their competitiveness and strengthen their security. Similarly, IT spending by Government, Transport and Utilities market sector will continue as governments strived to use IT to lower the costs of providing public services.

The Group will continue to focus on providing IP, Optical and Broadcast network infrastructure products and solutions to meet our various customers' business objectives. As more and more organisation are using and testing Cloud Services, the Group intends to gradually build up a comprehensive range of cloud infrastructure products to enable our customers to roll out cloud services.

Competition in the Network Infrastructure business area remains high and very fragmented with local resellers, distributors and system integrators as well as some global equipment vendors competing in the various market verticals.

Payment Solutions
In 1H 2015, the Group's Payment Solutions business area managed to secure approximately $34.3 million in order in-take, a significant increase of 35.8% compared to $25.3 million in 1H 2014 due to strong order in-take in both Q1 and Q2 2015.

We believe that growth in the payment business is driven by the increase in number of plastic cards, credit and debit cards spending, the increase in transactions, governments' cashless initiatives, banks outsourcing their point-of-sale infrastructure as well as regulatory compliances.

The Group will focus on providing a comprehensive and secured end-to-end payment infrastructure, various types of point-of-sale terminals and related services, mobile payment and e-Commerce payment products and solutions.

Competition in the payment industry is very fragmented with many local players offering various payment products and services to banks, financial institutions and retailers.

11. Dividend

(a) Current Financial Period Reported On

The Directors are pleased to recommend an interim dividend as follow :

Name of Dividend	Interim (one-tier)
Dividend Type	Cash
Dividend Amount per Share (in cents)	2.5 cents
Tax Rate	Tax exempt

(b) Corresponding Period of the Immediately Preceding Financial Year

Dividend declared for the corresponding period of the immediately preceding financial year :

Name of Dividend	Interim (one-tier)
Dividend Type	Cash
Dividend Amount per Share (in cents)	2 cents
Tax Rate	Tax exempt

(c) Date payable

28 August 2015

(d) Books closure date

19 August 2015 after 5.00 pm.

12. If no dividend has been declared/recommended, a statement to that effect.

Not applicable

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

There is no IPT mandate obtained.

BY ORDER OF THE BOARD

Foo Soon Soo
Company Secretary

5 August 2015